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Message Text

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C O N F I D E N T I A L STATE 153155

FOR USDEL TO UNCTAD INTERGOVERNMENTAL GROUP ON TECHNOLOGY

FOR RAY WALDMANN

FOLLOWING REPEAT BRASILIA 4796 SENT ACTION SECSTATE,
JUN 28

QUOTE C O N F I D E N T I A L BRASILIA 4796

DEPARTMENT PASS ALL ARA DIPLOMATIC POSTS

E.O.11652: N/A
TAGS: EGEN, UGEN, UNCTAD, BR
SUBJECT: WORKING GROUP ON SCIENCE AND TRANSFER OF TECHNOLOGY
REPORT NO. 6

WORKING GROUP ON SCIENCE AND TRANSFER OF TECHNOLOGY - AN
ASSESSMENT FROM USDEL CHAIRMAN ROBERTS TO ASST. SEC. KUBISCH

1. AS THIS MEETING OPENED, WE HAD NO IDEA WHAT WOULD BE THE
OBTAINABLE OUTCOME. THERE WAS NO AGREED AGENDA. WE HAD NO
CLEAR PICTURE OF THE LEVEL OF LATIN AMERICAN INTEREST OR
PARTICIPATION. AND WE HAD NO ASSURANCE THAT A CONSENSUS
COULD BE REACHED ON HOW TO GO ABOUT IMPLEMENTING THE MFM
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2. IT IS FAIR TO SAY-BASED ON COMMENTS FROM SEVERAL LA DELEGATES--THAT THE LATINS CAME TO BRASILIA AS SKEPTICAL, IF NOT MORE SO, THAN WE ON WHAT MIGHT BE ACCOMPLISHED AT THIS MEETING. ONE MEASURE OF THIS WAS THE DISAPPOINTING QUALITY OF MOST OF THE DELEGATES. ONLY BRAZIL, CHILE, MEXICO AND ARGENTINA FIELDED COMPETENT DELEGATIONS, ALTHOUGH VENEZUELA AND PERU WERE REPRESENTED BY KNOWLEDGEABLE SINGLE REPRESENTATIVES. IT SHOULD BE ADDED THAT WHILE ARGENTINA SENT A DELEGATION THAT MIGHT HAVE CONTRIBUTED SUBSTANTIALLY TO THE DELIBERATIONS, IT ADOPTED A PRURELY PASSIVE POSITION. IN CONTRAST,THE BRASILIAN HOSTS CONTRIBUTED GREATLY TO SUBSTANTIVE DISCUSSIONS AS WELL AS TO ENSURE A CONSTRUCTIVE FINAL OUTCOME.

3. THE LATINS CAME TO BRASILIA EXPECTING THE WORKING GROUP TO BE ANOTHER FORUM IN WHICH THE US WOULD PUSH A LINE FOR BETTER TREATMENT OF ITS MNC'S. THE USDEL CHAIRMAN'S OPENING SPEECH IMPACTED FAVORABLY ON THE LATIN AMERIICANS WHEN THEY SAW THAT WE WERE PREPARED TO DISCUSS CANDIDLY THEIR COM-PLAINTS ON THE TRANSFER OF TECHNOLOGY AND WHAT PRACTICAL STEPS MIGHT BE TAKEN TO HELP THEM MEET THEIR ASPIRATION FOR IMPROVED R/D CAPABILITIES. IN MARKED CONTRAST, THEY REGARDED OUR DRAFT PROPOSAL FOR A COMMISSION ON SCIENCE AND TRANSFER OF TECHNOLOGY (CSTT) AS A RATHER INEFFECTIVE AND UNIMAGINATIVE DOCUMENT OVERLY FOCUSSED ON PARTICIPATION BY THE U.S. PRIVATE SECTOR WITHOUT GOVERNMENT CONTROLS. THIS CAUSED A TEMPORARY SET BACK IN THE PACE OF THE DIALOGUE BUT THE MOMENTUM WAS QUICKLY REGAINED WHEN WE SUPPORTED A CONSTRUCTIVE LATIN AMERICAN PROPOSAL ON THE WORK PROGRAM FOR THE WORKING GROUP (BRASILIA 4653) AND THE DISCUSSION OF TERMS OF REFERENCE FOR THE TASK FORCES.

4. IN THIS DIALOGUE THEY MADE CLEAR THAT THEIR MAIN OBJECTIVE WAS TO GAIN USG RECOGNITION AND SUPPORT FOR THEIR NEED TO DEVELOP R/D AND EVALUATION CAPABILITIES THAT WOULD ENABLE AN INCREASING PROPORTION OF THEIR TECHNOLOGICAL REQUIREMENTS TO BE SATISFIED AND CONTROLLED LOCALLY. THEY WOULD HAVE US HELP IN TWO WAYS (A) PROVIDE A GROWING MEEESRE OF RESOURCES FOR TRAINING AND HARDWARE AND (B) PRESSURE THE MNC'S TO FURNISH TECHNOLOGY AND KNOW-HOW ON BETTER TERMS
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AND TO CONDUCT MORE OF THEIR R/D ACTIVITIES IN THE COUNTRIES WHERE THEY OPERATE.

5. WE EXPECTED THAT THE DISCUSSIONS WOULD BE MORE OR LESS EVENLY BALANCED BETWEEN DESIRES FOR QUANTITY AND QUALITY OF THE TECHNOLOGY TRANSFER AND OF CONDITIONS OF THE TRANSFER. IN FACT, THEIR FOCUS WAS OVERWHELMINGLY ON THE LATTER AND THEIR CONCERNS WERE CONSISTENTLY COUCHED IN TERMS THAT PUT

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BLAME AND BURDEN OF CORRECTIVE ACTIONON THE US. FOR EXAMPLE, THE ORIGINAL BRAZILIAN PROPOSAL FOR TERMS OF REFERENCE OF THE TASK FORCE ON TECHNOLOGY TRANSFER WAS REPLETE WITH REFERENCES TO "IMPROVEMENT OF CONDITIONS," "CONTROL AND REGULATION,""ELIMINATE RESTRICTIVE BUSINESS PRACTICES," "AVOID UNDUE PAYMENTS", NEGOTIATIONS OF "LEGALLY BINDING INTERNATIONAL CODE OF CONDUCT," "FAIR PRICE" ETC. AND PRACTICALLY NO REFERENCE TO ENLARGING OR EXPEDITING TRANS-FER OF TECHNOLOGY, IN FACT, SOME DELEGATIONS COMMENTED EXPLICITYLY THAT THEY WOULD RATHER IMPROVE THE TERMS FOR THE TECHNOLOGY THEY NOW RECEIVE THAN RECEIVE AN ADDITIONAL FLOW UNDER PRESENT CONDITIONS.

6. THE LATIN AMERICANS VIEW THE ROLE OF THE GOVERNMENTS AS THE KEY TO OBTAINING THEIR OBJECTIVES AND THIS IS THE PRINCIPAL REASON WHY THEY INTERPRETED OUR CSTT PROPOSAL AS UNIMAGINATIVE AND UNRESPONSIVE. WHILE NEGATIVE TO THE CSTT APPROACH, THEY ARE NEVERTHELESS HOPEFUL THAT THEY CAN MOVE US IN THE DIRECTIONS THEY WANT AND WILL COLLABORATE WITH US TO SEE WHERE THE WG EXERCISE LEADS. WE BELIEVE THAT AS A RESULT OF THIS MEETING THEY HAVE A BETTER APPRECIATION OF THE PRACTICAL PROBLEMS WE HAVE IN ACCOMMODATING THEIR DEMANDS, BUT THIS IS NOT LIKELY TO DETER THEM FROM PRESSING THEIR POINTS IN THE TASK FORCES AND SUBSEQUENT WG REPORT TO THE MFM. THE SHARP CONTRADICTION BETWEEN THEIR STATIST APPROACH AND OUR PREFERENCE FOR MORE LIMITED GOVERNMENTAL INVOLVEMENT MAY LIMIT TACTICAL RESULTS DESPITE INCREASED CONFIDENCE.
7. FROM OUR STANDPOINT THE PRINCIPAL ACCOMPLISHMENT OF THIS MEETING WAS TO ENGAGE THE LATIN AMERICANS IN A REALISTIC DISCUSSION OF THE PROBLEMS INHERENT IN THE TRANSFER OF TECHNOLOGY. THIS IS PROBABLY THE FIRST TIME THAT SUCH AN IN-DEPTH, GIVE-AND-TAKE EXCHANGE HAS TAKEN PLACE BETWEEN CONFIDENTIAL

U.S. OFFICIALS AND A REPRESENTATIVE ARRAY OF LATIN AMERICAN TECHNOCRATS. IN THIS CONNECTION THE INCLUSION OF WELL KNOWN AND HIGHLY RESPECTED PRIVATE SECTOR REPRESENTATIVES IN THE USDEL PROVED INVALUABLE. WE MAKE NO CLAIM TO WINNING ANY CONVERTS, BUT THIS DIALOGUE, IF NOTHING ELSE, SHOWED THAT WE ARE NOT INTENT ON PURSUING NARROW, SELFISH INTERESTS, BUT ARE WILLING TO HEAR THEM OUT ON THEIR GRIEVANCES. THE VENEZUELAN DELEGATE, WHO CONSISTENTLY ARTICULATED THE UNDERLYING LATIN AMERICAN DISCONTENT AGAINST THE MNC'S AND DESIRE FOR S/T SELF-SUFFICIENCY, COMMENTED TO US LAST NIGHT THAT HE FELT THE U.S. CAME OUT AHEAD OF THE LATIN AMERICANS AT THIS CONFERENCE. HE ADDED THAT VENEZUELA AND A NUMBER OF OTHER COUNTRIES WERE SO SKEPTICAL THAT ANYTHING POSITIVE MUST AT LEAST IDENTIFY IMMEDIATELY THE PEOPLE WHO WILL BE INVOLVED ON A FULL-TIME BASIS. CRIMMINS

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